

## **The complaint**

Mr S complains that PayPal UK Ltd incorrectly recorded a missed payment on his credit file.

## **What happened**

The background to this complaint is well known by both parties so I'll only summarise it here.

Mr S complains that PayPal was at fault for him not making a payment on time. He says it should remove a missed payment marker that was applied in April 2025 for a missed payment due at the end of March 2025.

When the matter came to us, our investigator recommended upholding the complaint. When the complaint was passed to me, I let both parties know I wasn't intending to uphold the complaint. In summary, I said I didn't think there was sufficient evidence to show PayPal was at fault for Mr S failing to make a payment on time. Mr S disagreed saying he had attempted to set up a (cancelled) direct debit mandate after being notified by PayPal that it had been cancelled. But he kept being told there was already a direct debit mandate in place. As Mr S disagreed with my initial findings, the matter has been passed back to me to finalise.

## **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I sent both parties my initial reasoning for not upholding this complaint. Mr S responded saying he disagreed. He said that he had tried to re-set the direct debit with PayPal prior to June 2025 but this hadn't worked as he kept getting a message saying a bank account was already linked to his PayPal account. So, as Mr S has now responded (and I thank him for his additional comments), the matter has been passed to me to finalise.

Having taken all Mr S's further submissions into account, I'm still of the view that the complaint shouldn't be upheld for the following reasons:

- I remain satisfied, based on all the evidence, that PayPal hasn't recorded inaccurate information in terms of the missed payment. The direct debit mandate was recorded as cancelled and Mr S was clearly notified about this in January 2025.
- Mr S began making manual payments so, in my view, he was clearly aware there was no direct debit mandate in place. So, if there was a missed payment, I'm satisfied this wasn't the fault of PayPal. I'm also satisfied that PayPal didn't mislead Mr S about the direct debit mandate not being in place.
- I accept that Mr S received notifications about the direct debit being due to be taken but he was also told the direct debit mandate was no longer in place. And this only changed in June 2025 when Mr S set up a new direct debit instruction from what appears to be a different (bank) account number. So, I can't say that PayPal has acted unfairly here.

- Mr S refers to a call he had in June 2025 with a PayPal agent where he says he was told the missed payment was due to a technical error which meant the direct debit wasn't taken. But even if this were true (i.e. that a PayPal agent said this) this was after the missed payment was registered on Mr S's credit file. In any event, it doesn't appear to me that the payment was missed due to a technical error but rather because the payment hadn't been made on time by Mr S.
- I've noted what Mr S has said about attempting to set up his direct debit after he received the January 2025 notice. However, I'm still satisfied that, on balance, there's not enough evidence to say PayPal is at fault here. Mr S was clearly aware in the months leading up to the missed payment, which was due at the end of March 2025, that the direct debit wasn't in place. All in all, I can't see there's enough evidence to show that Mr S missing the relevant payment was caused by anything done (or not done) by PayPal.

For all these reasons, I'm not upholding this complaint. I appreciate this will remain a disappointing outcome for Mr S.

### **My final decision**

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 12 January 2026.

Yolande Mcleod  
**Ombudsman**